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Commission suspends ITSAP surcharge for 2017 as number of recipients declines

BOISE (May 5, 2017) - The number of Idahoans receiving financial assistance for telephone service declined sharply in 2016, prompting state regulators to suspend a surcharge that funds the program.

The Idaho Telecommunications Service Assistance Program (ITSAP) provides a discount of \$2.50 per month for qualifying low-income landline and cell phone users.

Funds for the program are supplied via a surcharge on all phone lines - business, residential and wireless.

While the number of telephone lines supporting the fund decreased in 2016, the number of recipients of the subsidy declined more sharply, according to the program administrator.

As a result, the Idaho Public Utilities Commission recently decided to suspend the surcharge of 1 cent per month per line for the 2017 budget year.

The surcharge has declined significantly in the last two decades, from 13 cents per line per month in 1998, to 7 cents in 2013 and 3 cents in 2014.

To qualify for the assistance, the consumer must be the head of a household and meet criteria established by the state Department of Health and Welfare.

In addition to ITSAP, a federal program, Lifeline, provides \$9.25 per month to help qualifying low-income citizens access phone and broadband service.

Here is some background on the commission's decision to suspend the surcharge:

- The number of ITSAP recipients dropped 42 percent from 2015 to 2016, and more than 85 percent since 2011 (from 25,310 to 3,880).
- The number of wireline access lines (land lines) declined 17 percent, to an average of 363,888 per month, from 2015 to 2016, and the number of wireless access lines dropped 2 percent, to 1,384,720.

- The gross surcharge revenue for 2016 was reported at \$235,421, of which 18 percent was assessed on wireline services and 82 percent was assessed on wireless services.
- Administrative costs for the program reported by eligible telecommunications carriers decreased from \$33,089 in 2015 to \$23,235 in 2016.
- The ITSAP fund cash balance at the end of 2016 was \$1,354,852.